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USSR INFORMATION BULLETIN Mexico City, May 14, 1949SOURCES USED BY THE SOVIET STATE TO DEVELOPE ITS INDUSTRY

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The objective of the five year plan for the restoration and development of the national economy of the USSR for the period 1946-1950 is to construct, restore and initiate nearly 5,900 State enterprises. In the course of five years, the pre-war level of industrial production ought not only to be reached, but to be exceeded by 48 percent. The total volume of basic investments foreseen by the five year plan is 250,300,000,000 rubles; 157,500,000,000 rubles are marked for industry.

Throughout the period of its existence, the Soviet State has invested great resources in the development of the national economy. Thus during the first five year plan (1928-1932), 52,500,000,000 rubles were invested in basic industries; 115,000,000,000 during the second five year plan; and 130,000,000,000 rubles in three and a half years of the third five year plan.

By means of the five year plans previous to the war, tasks of great historical importance were completed: socialism was established, the exploiting classes were abolished, the technical reconstruction of the national economy was basically effected; the reorganization of the agricultural economy by means of collectivization was carried out; and mechanized socialist agriculture grew to be the largest in the world. The country was converted from a backward agrarian state into a great industrial power, endowed with first class resources. In volume of production, the Soviet Union came to occupy the first place in Europe and the second in the world. During the first five year plan, enforced unemployment was forever abolished, the material welfare of the working classes was notably improved, and science and culture flowered without precedent.

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Thanks to the pre-war five year plans, conditions were created which assured the historic victories of the Soviet Army during the second world war. The Soviet Union assured the destruction of fascist Germany, at whose disposition was found the material resources of all Europe.

The war wrought immense physical damage to the Soviet Union. Direct losses occasioned by destruction of property alone were estimated at 679,000,000,000 rubles. Any of the capitalist countries would need a considerable length of time to mend such enormous damages. A number of European bourgeois nations, including Great Britain, which suffered much less war damage than the Soviet Union, intend to solve their economic problems in the post-war era by intensifying the exploitation of the workers and obtaining foreign aid on ruinous conditions. They are receiving this aid at the cost of totally or partially losing their economic and political independence.

The country of triumphant socialism follows a different road. The incessant progress of the socialist economy succeeds without any outside aid, at the cost of its own resources. In 1948, the third year of the post-war five year plan, the over-all production of industry in the USSR exceeded the level of 1940 by 18 percent. During the first three years of the present five year plan, there have been constructed, restored and initiated some 4,000 State industrial enterprises. Appropriations for basic industries increase from year to year. For example in 1948, 57,200,000,000 rubles were designated in the State budget for such works; 12,700,000,000 more than in 1947. In 1949, the volume of basic industries increased 23 percent in comparison with 1947, and it exceeded more than one and a half times the pre-war level. This year nearly 80,000,000,000 rubles are marked in the State Budget for financing the construction of basic industries.

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Now then, where does the Soviet State get the means for the incessant development of the country's national economy?

The Soviet State, having concentrated in its own hands the land, the factories and mills, the railroads, foreign and domestic commerce and the banks, has created sources of capital accumulation which none of the bourgeois nations have or can have. In the socialist society where the means of production constitute social property, the distribution of the national income is carried out exclusively with the purpose of bettering in a systematic way the material situation of the workers and of developing the productive forces of the country.

The entire national income is divided into two principal parts: one of them, which represents approximately three fourths of the whole, is for public consumption, and the other is to meet the needs of the State, to construct industrial enterprises, houses and establishments of a social and cultural character to support schools, hospitals, theatres and scientific institutions, and to finance the defense of the country, etc.

The profits from State enterprises constitute the principal source of the financial resources of the USSR. The basic receipts of the State Budget come from the accumulations of the national economy and above all from industry. In the present year, the index of revenue amounts to more than 446,000,000,000 rubles, which exceeds the budget revenues of 1948 by 9.2 percent. Of the total revenue, the duty on commercial circulation and the discounts from the profits of enterprises represent some 300,000,000,000 rubles, almost 22,000,000,000 more than last year.

The source of the growth in accumulations in the national economy of the Soviet Union lies in the incessant increase of the productivity of labor and in the systematic decline in the expenses and costs of production. In 1947, the productivity of the labor of industrial workers in the USSR in comparison with 1946, increased 13 percent, and the following

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year, in 1948, increased 15 percent more. A new rise in the productivity of labor is foreseen in the plan for this year.

The systematic decline in the expenses of production is another law of socialist accumulation; the national economy of the USSR is developed in accordance with such socialistic principles. During the post-war five year plan, the cost of industrial production will be reduced 17 percent, that of rail transport 18 percent, and that of construction, 12 percent.

The Soviet citizens, interested as they are in developing the economy of the country, are searching for new ways which lead to the anticipated fulfillment of the State's plans and to the increase of accumulations of socialist enterprises. The patriotic movement, initiated a year ago at the initiative of Moscovites, has brought excellent results in favor of a labor of high return and of superior accumulations foreseen in the plan. The sum total of economies effected beyond the horizons of the plan, due to the reduction in the cost of industrial production, was in 1948 more than 6,000,000,000 rubles. The current year has opened a new page in the story of the effort of the Soviet people to fulfill the five year plan before the date of its termination; it has given a beginning to a vast movement in favor of the acceleration of the cycle of the mediums of circulation and of the success in greater quantity of production, for each invested ruble.

The creative work of Soviet citizens assures the incessant and increasing return from resources for the development of the economy.

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